

June 3, 2005

“CONSUMER REWARDS NETWORK” SCAM

BISMARCK – Attorney General Wayne Stenehjem today issued a Cease and Desist Order against a California business, Consumer Rewards Network, and its affiliates Mega Movie Club, Health Net and Net Forever.

Consumer Rewards Network is believed to be engaging in deceptive telephone solicitations in North Dakota. The company has been calling consumers claiming they were from Wal-Mart and offering consumers vouchers for Wal-Mart shopping sprees worth up to \$500, in return for which the consumer agrees to pay a nominal fee by automatic bank withdrawal. The consumers were asked for bank account information and to authorize automatic withdrawal. Consumer Rewards used the account information to commit the consumer to various additional and automatic charges for movie and health services. Wal-Mart has not authorized the calls, or any vouchers for shopping sprees, and is not affiliated with the bogus solicitations.

“This is not a legitimate offer by Wal-Mart and anyone receiving one of these calls should not agree to purchase and should not under any circumstances provide bank account or other personal information. Once a business has a consumer’s bank account information, it can control the account. The business can make many withdrawals or simply empty the account before a consumer realizes it,” cautioned Stenehjem.

In response to complaints, Stenehjem’s Consumer Protection Division investigated Consumer Rewards Network and its affiliates. The investigation exposed the companies’ fraudulent practices and prompted Stenehjem to issue the Cease and Desist Order prohibiting the company from conducting business in North Dakota. Violations of the order subject the business to civil penalties up to \$1,000 per violation of the Order. The solicitations also are violations of the consumer fraud law and could result in civil penalties up to \$5,000 per violation.

Consumers who are solicited by this business should contact the Attorney General’s Consumer Protection Division toll-free at 1-800-472-2600.